

Is a Change Necessary?

SPEECH

OF

HON. JOHN SHERMAN,

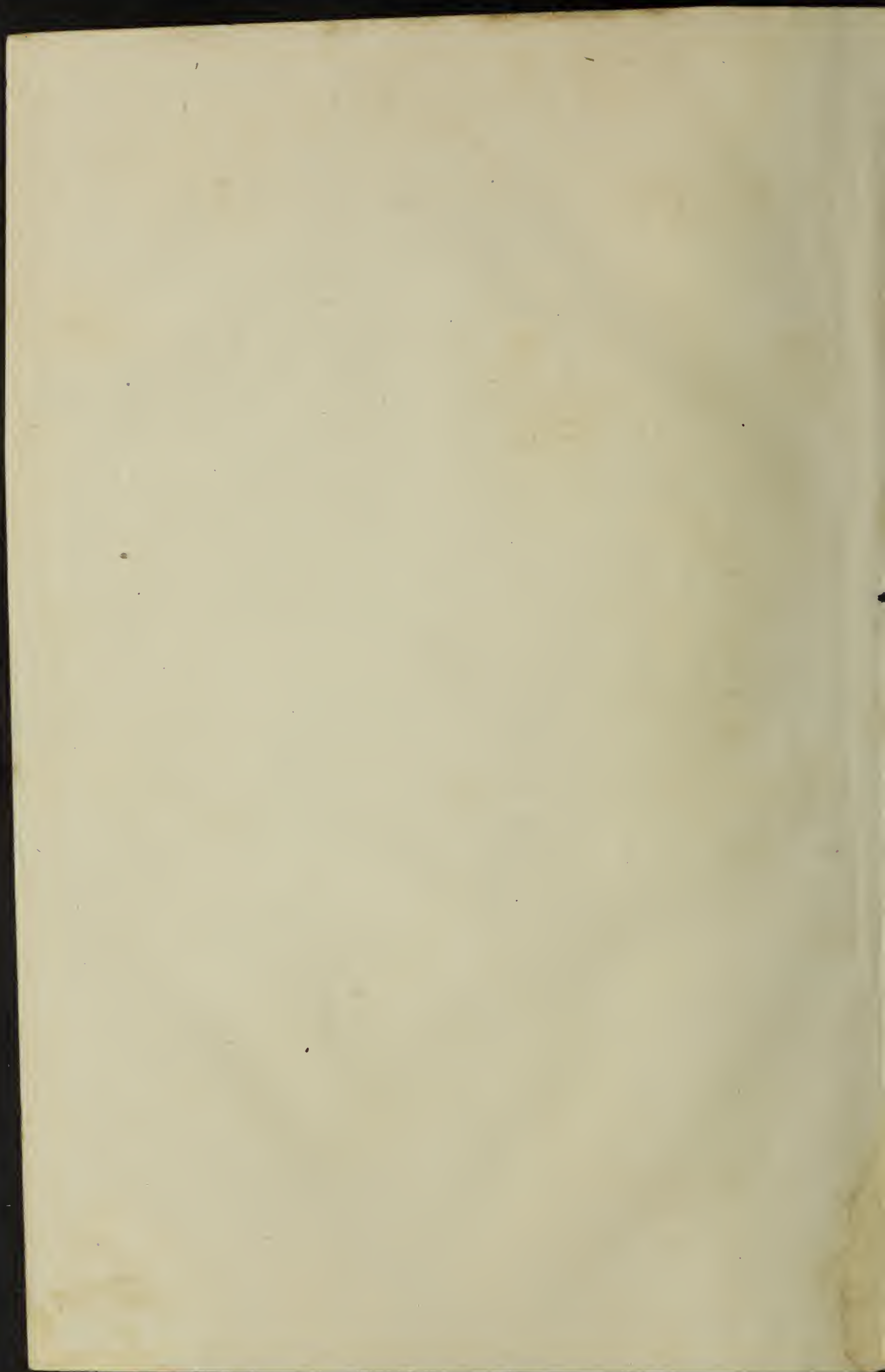
SECRETARY OF THE TREASURY,

DELIVERED AT

CINCINNATI, OHIO,

Monday, August 30th, 1880.

WASHINGTON, D. C.
1880.



329.6
Sho51

Speech Room

SPEECH

OF

HON. JOHN SHERMAN.

FELLOW-CITIZENS:

The Democratic party desires to make a change in the Executive branch of the Government of the United States, and appeals to the American people to bring about such a change this fall. The Republican party, recognizing the right of that party to make the appeal, will hear patiently and kindly all it has to say, and no word of insult, no act of violence will be offered by any Republican in any part of the United States to deter the Democrats from the exercise of their right freely to discuss in their own way their political convictions and opinions. We Republicans only regret that this privilege cannot be exercised by us also.

The last great change in the Executive branch of the General Government occurred in 1860, by the election of Abraham Lincoln as President of the United States. At that time the open advocacy of his election could not be made safely to life or limb in thirteen States of the Union, where the strength of the Democratic party lay. But, in spite of this, the people of the Northern States, firmly impressed with the necessity for the change, made it; and what man in this broad land does not now feel that it was a happy change? And yet the Democratic party of that time resisted it. It not only resisted it during the canvass, but the controlling segment of that party rebelled against it by force of arms, and undertook to disrupt the Government and to destroy the Union.

The Democratic party desired a change in 1864, when, in the midst of war, the magnitude of which even now in the distance staggers us with amazement, it met in National Convention and resolved that the war was a failure and demanded peace on any terms. That was when Grant was in the Wilderness and Sherman was on the road to Atlanta, when our notes on demand were worth only forty cents on the dollar, and when it seemed almost as if Providence had deserted us. If its desire for a change had then been gratified, we would have now no united country to boast of, no land to love. The American people, though weeping over their lost ones and feeling heavily the burdens of war, said there should be no change, and there was none; Abraham Lincoln was elected again.

The Democratic party desired a change in 1868. It was encouraged by the defection of Andrew Johnson, and by many divisions in the Republican party. The rebels had been restored to their lost citizenship, and had already organized a system of terror in several of the Southern States. Tweed was in the ascendency in New York with his gigantic frauds; he plundered the city, filled the cravings of the army of his dependents with the plunder of rich contracts, issued tens of thousands of fraudulent naturalization papers, stuffed the ballot-boxes, and thus reversed the vote of the Empire State. Yet, after all, the American people decided that there should be no change; that the Republican party, which saved the country, should still be trusted with its administration; and Grant, the great soldier of the war, was made President.

So, again, the Democratic party desired a change in 1876. It had previously organized the Solid South, according to the Mississippi plan, with terror and violence. It fondly thought it had made good a fulcrum of 138 electors from States lately in rebellion, and had carefully laid plans to secure enough more to make the election sure. Tilden, who, as governor of New York, had become popular with the business men of that State by his aid in the overthrow of Tweed, and by his opposition to corrupt canal rings, was nominated for President. He had a barrel full of money which was spent without stint, and thus introduced for the first time in American politics the most shameless corruption in a Presidential election. But, more than all, the country was suffering under great financial distress. The wave of misfortune, which came in 1873 to the whole commercial world, had scattered its wrecks over our great

cities. Every man who had capital to lose, or debts to pay, or wanted labor or bread, felt discontent for evils that he could not explain. It was natural, but not just, that many of these clamored for a change, who had no sympathy with the principles of the Democratic party; but still the fraud and intimidation attempted in three of the States failed in its object, and the Republican party in the Northern States stood by its principles and Hayes was elected.

And now, fellow-citizens, let us pause for a while to see what has been the result during the last four years by the election of the present Republican President. Has he given any cause for a change from Republican to Democratic measures and men?

RESUMPTION.

When President Hayes was inaugurated the resumption act of 1875 was an unexecuted mandate of the Republican party. It had been voted for only by Republicans, and had from its introduction been assailed, resisted, and ridiculed by the Democratic party. Many honest, sincere men of both parties, who really wished resumption, believed it impracticable for years to come. But there was the law. I had aided in its passage, and I believed in it, and I was charged with its execution. I was supported by the full faith of the President. Gold was at a premium of nearly six per cent. The national revenues had been greatly impaired as the result of the panic, so that there was, in fact, no surplus revenue to aid in the work of resumption. The only means left was to increase the volume of coin before the day of resumption by the sale of bonds, to do the utmost to strengthen the public credit, and to produce confidence in the ability to resume. This was done in the eighteen months that followed the inauguration of President Hayes, and at the end of that period the credit of the country had been greatly advanced; surplus coin had been accumulated to the amount of \$130,000,000, and the public mind, relieved from imaginary terrors, had become not only reconciled to resumption, but was anxiously and hopefully awaiting the event. During all this time the Democratic party excelled itself in active resistance to the successful execution of this law. They sought to repeal it; they sought by investigations through committees of Congress to discredit all the proceedings had under it; and it was boastfully said that thousands of dollars would be given to stand on the right of the line at the Public Treasury on the day of resumption. The examinations made of myself alone by committees of Congress upon this subject amounted to over one hundred printed pages; and the speeches that were made against what they denounced as a crazy, impracticable scheme would fill volumes. Your ears rang with their ridicule and denunciation of the resumption act; but still, thanks to the Republican party, resumption came, and came so certainly and so securely that at this day specie payments are more complete, in the true sense of the term, than ever before in this country, and as complete as in any country in the world. There is no longer any depreciation of the notes of the United States, and not only in this country but in all foreign countries they are received at par with gold.

The Democratic party, convicted of false prophecy, could only shout out that it was Providence that did it; that the good crops, which came six months after resumption was a complete success, did it; and some of them had the audacity to say that the way to resumption was prepared by the economies enforced by a Democratic House of Representatives, which, as I will show you hereafter, instead of reducing the expenses, actually increased them largely in all branches of the public service subject to annual appropriations. One thing is certain, that if its desire for a change had been gratified four years ago by the American people, the resumption act would not have been enforced, resumption would not have come, and the hopeful joy which gladdens the homes of millions of laboring people would still be repressed by the evils of irredeemable paper money. Resumption, then, with all the good that has accompanied and followed it, is the direct result of the wisdom of your choice in the election of a Republican President four years ago.

REFUNDING.

When President Hayes was inaugurated, there was upon the statute-book the refunding act of 1870. It was placed there by the Republican party—a part of its policy for the gradual reduction of the burden of the public debt. It had been partially executed by the sale of five per cent. bonds; and when President Hayes was inaugurated we were selling four-and-one-half per cent. bonds at par, slowly and with difficulty. It then became my duty to continue the refunding; and, taking a hopeful view of the future of the country—its

power, its wealth and greatness—I determined to withdraw from the market the four-and-one-half per cent. bonds, and sell the four per cents. at par. This was believed at the time to be a doubtful experiment; but, being firmly supported by President Hayes, the Treasury Department undertook the task. A sale of every such bond was a saving of one-third of the interest on that portion of the debt; for every dollar realized was applied to the payment of an equal amount of bonds bearing six per cent. interest. Bankers shrunk from taking such a bond; but on an appeal to the American people, through popular subscription, within sixty days after they were thus offered, \$75,000,000 of these bonds were taken and were absorbed, mostly in small sums, all over the United States. Thus, the success of the loan was established.

Frequently, however, as the opposition of the Democratic party to resumption was developed, and at times appeared to be successful, credit would become impaired, confidence would be destroyed, and the sale of these bonds would fall off. But as events resulted, and the Democrats failed to secure the repeal of the resumption act, the bonds sold again, but in comparatively less sums. The credit of the Government advanced precisely as resumption approached success; and within one hundred days after resumption there were sold \$510,347,800 of four per cent. bonds, thus completing the work of refunding, as far as the law allowed it to be done, by the redemption of all the bonds bearing five or six per cent. interest, that were then redeemable. The result of this Republican policy was a saving to the people of the United States of \$14,290,453.50 interest per year.

But this was not the only benefit derived by our people from refunding operations. The rate of interest became permanently reduced on all investments throughout the country. Low interest is the chief factor in our prosperity. It became possible for manufacturers and trades-people to borrow money, so as to conduct their business profitably. This low rate of interest produced a demand for new investments, and new enterprises were started into life. Thus, by the policy of the resumption and the refunding acts, the way was paved for the present era of prosperity. And the whole of this was the work of the Republican party. If the change desired by our opponents four years ago had occurred, no man can truly say that such results as these would have taken place; for, from Tilden down, the Democratic party favored the repeal of the resumption act. That party, during these four years, has been the slave of the most idle and crazy popular delusions of fiat money—their leaders even talking about bloated bondholders and aristocrats—and was ready to fan into flame the passions of men to mobbish violence and to fierce contentions between capital and labor.

HONEST PAYMENT OF THE PUBLIC DEBT.

Again, the policy of the Republican party has always been the honest and faithful observance of public obligations. From the time the public debt was created as the result of the war, until this hour, they have sought to adopt a policy which would secure its slow, but sure and steady payment, according to the letter and spirit of the public obligations. No thought of repudiation, wholly or in part, has ever entered into the Republican policy. The gradual payment of the debt, and the reduction of the rate of interest, have been kindred measures of the same policy, which have been pursued without shadow of turning. The principal of the debt had attained its maximum August 31, 1865, when it reached \$2,756,431,571.43. It has been gradually paid off with the surplus revenue, so that, on the first day of July of this year, it was \$1,919,326,747.75. The principal of the debt has been reduced \$837,104,823.68, but the interest has been reduced in far greater proportion. In 1865, the interest-bearing debt was \$2,381,530,294.96, and the rate of interest on part of it was as high as seven and three-tenths per cent. per annum, and the interest-charge was \$150,977,697.87. The interest-charge had been reduced to \$79,633,981, on the first of July, 1880; and we only await the maturity of \$720,645,300, the balance of the five and six per cent. bonds, to reduce the interest-charge to not exceeding \$70,000,000. A Republican administration is now paying the public debt at the rate of ten millions a month, or two and a half millions a week. In all human probability, before this administration closes its term the debt will be further reduced seventy millions, making a saving in annual interest of four millions of dollars.

This policy of debt-paying and interest-reducing is the most striking in the history of any country. Other Nations have had great debts; but no Nation ever before paid it so rapidly, so justly, so honorably. This fact alone is worth more in public credit than all the gold and silver in the country; because it is a capital from which we can draw whenever necessity requires.

The Democratic party pursued an exactly opposite policy. From 1857 to 1860, when Mr. Buchanan was President, it steadily increased the public debt from \$9,998,621.76 to \$59,964,402.01. At the close of that period it paid as high as twelve per cent. on one-year Treasury notes, and sold six per cent. twenty-year bonds at eighty-nine cents on the dollar. While the debt was being reduced by the Republican party, the Democratic party impaired the public credit by proposing schemes to cheat the public creditor. Its influence was the chief obstruction to the debt-paying and interest-reducing policy of the Republican party. In States where it has the ascendancy, like Virginia, Louisiana, Tennessee, Mississippi, and Arkansas, it has either repudiated the State debts or threatens to do so. Its success, in a National election, would, in my judgment, greatly impair the public credit and reduce the value of public securities.

FAITHFUL COLLECTION OF THE REVENUE.

Then again, under the administration of President Hayes the revenues of the Government have been honestly and faithfully collected, and honestly and faithfully disbursed. Tables have been carefully made showing the losses that have occurred in the receipts and disbursements of the public money, and these exhibit the fact that during this administration the losses by defalcation have been reduced to the smallest percentage that has ever been shown in any administration of this Government, or of any other known to us.

During the three years of this administration, ending June 30, 1880; there was collected from all sources \$864,876,359.93. All this vast sum has been paid into the Treasury, excepting about \$15,000, and it is believed that even this sum will be recovered. The internal revenue collected in every part of the United States has been paid into the Treasury without the loss of a dollar. Besides the collection of the revenue, the great transactions of the Post-Office Department, extending all over the country, and collecting and disbursing during the last three years an amount of more than \$250,000,000, have thus far been made with the loss of less than \$1,300. In the small defalcations that have occurred, suits have been promptly brought against the defaulting officers or their sureties, and judgments enforced. A system of rigid accountability for public moneys has been applied, without fear or favor, with results that never before have been realized by any administration.

The disbursement of this money by public officers at home and abroad has been made for the purposes for which it was appropriated by Congress, absolutely without loss or defalcation so far as known to the Government.

During the administration of James Buchanan, the loss by defalcation of public officers in the collection and disbursement of the public moneys was \$3.81 on every \$1,000; during Pierce's administration it was \$3.56; during Polk's administration it was \$4.08; during Jackson's administration it was \$7.52; during Van Buren's administration it was \$11.71. Mark the contrast with Republican administrations:

In Lincoln's time, embracing the recklessness caused by war, it was 76 cents. For six years of Grant's administration it was 34 cents. In Hayes' administration thus far—assuming that all amounts in dispute are lost—the loss on \$1,000 would be so small that the smallest coin of the country would make it good three times. It has been but one-third of a cent on \$1,000 of the amount involved.

REDUCTION OF EXPENSES.

Again, this administration has effected a striking reduction of the expenses of those branches of the public service over which the Executive has complete control. The appropriation for the collection of the customs revenue is a permanent one, entirely dependent for the amount of its expenditure upon the Treasury Department. While the revenues of the Government have enormously increased, the expenditures have been largely diminished. The expense of collecting over \$188,000,000 customs duties during the last fiscal year was only three and one-tenth per cent., while the expense of collecting \$53,000,000 in 1860, during President Buchanan's time, was six and two-tenths per cent. on the amount collected—just double. On the 1st of July last, there was returned to the Treasury \$2,000,000 of money that had been saved out of the appropriation for the collection of the customs revenue; and in the expenses for refunding the loan, for which an appropriation of one-half of one per cent. is made, the Treasury Department returned to the Treasury, on the 1st of July last, \$1,000,000 saved. The Secretary of the Navy has returned to the Treasury very large sums, saved by a careful and honest administration of that Department. There was carried to the surplus fund, on the 30th of June, 1880,

\$8,434,416, money appropriated for the different Departments for that year and remaining unexpended. Does any one believe that a Democratic administration could have attained these results?

RESULT UPON BUSINESS PROSPERITY.

And what has been the result of Republican administration under President Hayes upon the general business interests of the country? We have witnessed, and are now enjoying, the greatest revival of business of modern times. We have leaped forward from a period of extreme distress to one of great prosperity. Our exports during the last fiscal year reached the enormous sum of \$835,000,000, being an increase since 1875 of over \$320,000,000. Our imports during the last fiscal year were \$668,000,000, being an increase since 1875 of \$135,000,000, and making an aggregate foreign commerce of the last year of over \$1,500,000,000. Every Nation contributes to our comfort. From every land and from every sea, and from every part of our country, we gather the productions of their labor to supply our daily wants. Our manufactures in all branches have increased, so that not only do we supply the domestic markets with nearly all the articles essential to human life, but we export in great quantities the productions of the workshop and the farm.

We now feed Europe not only with grain, but with meat, butter, lard, canned fruits, and an infinite variety of other productions. We are gradually gaining trade in other countries, north and south, and may hope, in a short time, to supply them with nearly all the articles of foreign production they desire. In the great branches of industry—agriculture, manufactures, and mining—we are now taking our rank as the leading Nation. With plenty of money as good as gold, with plenty of work for all who are willing to work, with cheap capital, we have now superadded the most bounteous crops that ever blessed any portion of the world. Think of wheat crops of 450,000,000 bushels a year, and corn crops of about 1,800,000,000 a year, and everything else in proportion. For these, high prices have been realized. The addition to the wealth of the country for the last three or four years can scarcely be estimated. We know that our Government debt, formerly largely held abroad, is now almost exclusively held at home; that the mortgages upon our lands and farms have been reduced to one-third their amount in 1875; that the balance of trade is so largely in our favor that foreign countries, no longer able to send back our securities, are compelled to ship gold. The building of railroads keeps pace with our general prosperity. They are crossing the plains and exploring every valley, and year by year we hear of new settlements of fertile territory hitherto unavailable for tillage, whose surplus products increase our resources. The number and amount of business failures have been reduced more than one-half. In a word, all the circumstances and elements that indicate increased wealth and prosperity to our whole country seem to combine to make its immediate future exceedingly bright. The rough road has been traveled and the smooth one is now before us.

Our National prosperity has excited the attention of all European Nations, and has set in motion again the stream of immigrants, whose labor has added so greatly to our growth and productions. The number who arrived during the last fiscal year was 455,495, against 177,826 in 1879. During the month of June last, 72,567 immigrants reached our shore, and since March 1, to the latest date of which we have reports, the number is about 328,000, or more than enough to form a State.

THE CAUSE OF OUR PROSPERITY.

We can fairly claim that the renewal of business is the natural result of the policy of the Republican party. Every public measure that has contributed to it was a Republican measure. An honest and faithful administration of the Government; a firm adherence to the resumption and refunding act; the maintenance of the public faith as against fiat money, and the protection policy embodied in our tariff laws, are the human agencies, the work of the Republican party, that have contributed to our prosperity. It is true that Providence gave us bounteous crops, but these came after resumption was secure, and after we had laid the foundation of honest money and diversified industry, which enabled us to improve the blessings of Providence. Certain it is that we owe NO PART OF OUR PROSPERITY TO THE DEMOCRATIC PARTY.

DEMOCRATIC PRETENSES.

That party, for more than five years, has had control of one branch of Congress, and for nearly two years of both branches. What has it done, or pro-

posed to do, to benefit the public, or to evince any disposition to bring about reforms? It set out with a great pretense of reducing the expenditures of the Government. It clipped here and there the salaries of clerks, or reduced their number, and, in some cases, seriously obstructed the public business. It withheld necessary appropriations for a time to show a reduction of expenses, but was compelled to make them good by deficiency bills.

I have before me a table showing the appropriations that have been made by Congress each year for each branch of the service since 1873. In 1875, the last year in which the Republicans had a majority in both Houses, the appropriations made for the fiscal year 1876 were \$147,714,940. At the next session the Democrats controlled the House, and, by refusing to appropriate for some of the most necessary expenses of the Government, reduced the appropriations to \$124,122,010, and the following year, in order to coerce the President by a failure to pass the Army bill and to provide for other necessary expenses, they reduced the appropriations to \$88,356,983; but at the following session, to make good these deficiencies and to repair the faults committed, they appropriated \$172,016,809, being \$25,000,000 more than was appropriated in 1876; and in 1880 they appropriated \$162,404,647; and for 1881 they have appropriated \$154,118,212, or \$7,000,000 more than the appropriations made the last year the Republicans controlled the House. The appropriations made for the current fiscal year by a Democratic Congress, in a time when the currency is upon the specie standard, are as large as in the year 1873, made by a Republican Congress when our currency was at a discount of twelve per cent., and when the Government was paying large war claims.

Thus, it appears that the boasted economy of a Democratic House, in a time of profound peace, in spite of the large reductions made by a Republican administration, has resulted in an increase of appropriations from year to year.

PROPOSED NO MEASURE OF RELIEF.

During all this time the Democrats have proposed no reduction of taxes and no measure of relief to the industrial interests of the country. Paralyzed by their responsibility, they did not even dare to propose a modification of the tariff laws, or bring about any financial reform, which they had promised so often and so long. They neglected the most necessary changes in our tax laws, such as a modification of the tax on sugar, leaving the Department to struggle with litigation and controversy without legislative aid. They can point to no law passed during their time which even purports to bring relief to the people, to lessen the burdens of taxation, or to advance the public interests. Their whole effort for years was to repeal the resumption law, to continue in some form a depreciated currency, or to cripple and impair the public credit. During the last year or two it has been expended in a futile attempt to repeal the election laws, intended to protect the elective franchise from fraud and violence. This they attempted in a revolutionary mode. They attached the conditions of repeal to appropriation bills necessary to the support of the Government; and when the President disapproved such repeal they left important branches of the service without any appropriation, and compelled our soldiers on the frontier and our army officers to borrow money to meet their current expenses, while the Treasury was overflowing with money due to them.

THEY WANT A CHANGE—ITS EFFECTS.

And now, in 1880, they want a change; not a change in the Democratic House or Senate, but a change in the Executive branch of the Government, so that all branches of the Government will be practically under their power and control. It is known very well that within a period of four years the election of a Democratic President would probably, by the chances of life, convert the Supreme Court into a citadel of the principles and policy of the Democratic party, and change the national tendencies of that great tribunal into a machine to cripple the Government in its power to protect the rights of the freedmen by the adoption of the narrow notions of State rights which governed the Democratic party before the war.

AND WHO ARE THEY who propose this radical change in our Government? It is the same Democratic party that in 1860 sought to overthrow the Government, governed by the self-same men or their lineal descendants, and the same elements which controlled the policy of the administration of James Buchanan. Who control that party now? The basis, the governing power, of that party is in the Solid South. That segment of the party will furnish one hundred and six members of Congress and thirty-two Senators, and, by their numerical

majority over their Democratic associates, will dictate the policy and laws of our Government. Next in importance would be the influence of New York city, whose vote is so potent in wielding the political power of the great State of New York—a city that for many years has been governed by corruption, that practiced the frauds in the election of 1868, and is confessedly under the domination of the most dangerous elements of American society. They can claim no Northern States except what they derive from the shadow of the influence which centres around New York, and, perhaps, the State of Indiana; but we dispute with them their ascendancy in that gallant State. And thus these elements, embracing the worst features of American politics and society, would rule this National Government in all its branches, and restore again all the ideas, principles, and acts from which we escaped by the election of Abraham Lincoln.

The bone and sinew, the heart and brains, of the North are now, as then, with the Republican party. That section which furnishes the capital, the commerce, the trade, the enterprise, the vital energy to our system, is to be subordinated to a section which still clings to the idea that this is not a Nation, but a confederacy, that its powers are dependent for enforcement upon the narrow and provincial ideas of insignificant States. This is the change they propose. This is the revolution they would bring about.

WHAT REASONS DO THEY GIVE, what motives do they assign, as the basis of such a revolution?

Senator Pendleton says they want a chance to examine the books of the Treasury Department. The books of the Treasury are now, and have been for years, under the surveillance of the Democratic majority of the House. Committees of both Houses have explored the recesses of that Department, examined its books, compared the figures, and what have they found? They claim that in 1870 great discrepancies were shown in the statements of the public accounts; but these discrepancies, after a full and fair examination, have been fully explained as the necessary result of keeping two sets of books in different offices of the Government, which, embracing different items, from their nature, must differ on a given day, in some cases, to the amount of millions of dollars; but when these discrepancies are examined, and the elements which enter into the one and do not enter into the other, are explained and compared, the books are found to be correct in every particular.

Thus the Register's books still show as money in the Treasury about \$28,000,000 deposited by the several States, under an act of Congress, in 1836. These books also treat as money in the Treasury all the great defalcations that occurred in the Democratic times, many years ago, with pet banks, and other public depositaries, and other defaulters, although the bills of the pet banks are worth no more in the hands of the Treasurer than Confederate notes, and the defaulters and their generation have crumbled into dust years ago. The Treasurer's books, however, treat these items as unavailable, and not as money on hand, and thus there is a difference between these two accounts of many millions of dollars. Secretary Boutwell, not being satisfied with this mode of stating the public accounts, and in pursuance of an act of Congress, did eliminate from the cash statement these unavailable items. Formerly, the statement of the public debt only included the principal of the debt, and not the interest. He changed the form of the monthly debt statement so as to include not only the principal, but the interest accruing on outstanding bonds not yet due, and deducting from the aggregate the cash in the Treasury.

This was a decided improvement in book-keeping, and exhibited the exact state of the public debt. This has bothered my friend, Senator Davis, of West Virginia, ever since. He talks of changes and discrepancies, but he does not pretend that there has been any misapplication of public moneys. As one of a Senate committee, of which Mr. Bayard was a member, I examined thoroughly these charges when first made, five or six years ago, and the most careful and searching scrutiny showed that they involved no misstatement, no inaccuracy, no speculation, no wrong. The change in book-keeping was made ten years ago, and since that time it is not claimed that there has been any discrepancy, or error, or fault. While I have had charge of the Treasury Department I have invited the utmost scrutiny, furnished committees of Congress with rooms in the Treasury, given them access to all the books, given them the aid of skilled experts to assist them, and they report that everything is now entirely satisfactory, and that the discrepancies, which they refuse to understand, though amply explained, do not now occur.

THE CRY OF FRAUD.

Mr. Tilden says they want a change in order to condemn what he alleges was the fraud of 1877. But this pretended fraud consists simply in the fact that the Electoral Commission, a tribunal which they aided to organize, and whose judgment they agreed to abide, decided differently from what they expected. I did not believe in that tribunal. I believed the Constitution and the laws already furnished ample means to ascertain and determine the result of the vote of the electors; but they forced the adoption of this Commission as a means to exclude votes duly returned from some of the Southern States. They failed in this, and from that time they have cried out, "fraud, fraud." The fraud that existed in the election of 1876 was the fraud, violence, and intimidation practiced by the Democratic party in at least five of the Southern States, but in such a bungling way in Louisiana that it was promptly corrected by the returning officers of that State. In South Carolina and Florida the actual vote cast, as well as the legal vote, was in favor of the Republican electors. They attempted in Oregon, where the people had without question voted for the Hayes electors, by narrow technicalities to exclude the Republican electors and to recognize the Democratic electors, and large sums of money were confessedly paid to accomplish this fraud.

THE REAL FRAUDS.

The two great frauds attempted in that election by the Democratic party were, first, the completion of the conspiracy of the rebel element of the South to deprive the Republicans of the South of their rights and privileges as American citizens; and the second was the attempt to bribe electors for President to vote for Tilden instead of Hayes. It is to divert public attention from these admitted frauds that this cry of fraud is raised. Let us look for a moment at these admitted frauds. Shortly after the War there were organized in nearly all the Southern States secret political bands, composed entirely of Democrats, and mostly of rebel soldiers, whose object was to overawe the freedmen of the South, to deter them from enjoying the civil and political rights conferred by the Constitutional Amendments; and whose methods were terror, whipping, wounding, and murder, committed by armed bands of disciplined and disguised men, at night, upon poor, ignorant, and undisciplined negroes. There is nothing recorded in history more cruel and cowardly than the organization, objects and work of these Klans; you can read it in great volumes of testimony taken year after year by committees of Congress. There you will find the pathetic stories of the victims of these atrocities, and the number of the dead who perished by them. There you will find the confessions of the guilty. You can read the story in "The Fool's Errand, by one of the Fools," a narrative written by a Union officer, and who presents with the atrocities committed all the palliating circumstances as claimed by the Klans. You may read it in the eloquent denunciations of Reverdy Johnson and Henry Stanbery, sent South to defend members of the Klans. No man can honestly deny that this conspiracy, its existence, its aims, and its crimes have been proven and are true, and yet the strength and power of the Democratic party in the South this day rests upon the success of this crime, or culmination of crimes. It is this that gives them the solid South. These crimes entered into the title by which Tilden claimed to be elected President. It was in 1875 that the Mississippi plan of terror was enforced in that State with savage barbarity; and in 1876, Mississippi, with a known Republican majority of 25,000, was helplessly in the power of rifle clubs, who cast its vote for Tilden. In Louisiana and South Carolina, the same plan was attempted, but only in a comparatively few counties, and in these the same terrible agencies of murder, burning, whipping and terror were inflicted by disguised Democrats, and solely with a view to prevent Republican votes. Don't tell me you don't believe these things, for the man who would not believe upon such testimony as has been furnished would not believe his own mother who testified to his birth. It is fortunate that this conspiracy was defeated by the faithful and loyal performance of public duty under the law by the election officers of Louisiana and South Carolina, in spite of efforts to bribe them. But for their honesty and courage, a President would have been installed whose title rested upon murder and bribery, and the blessing of God never could have rested upon such an administration.

Do you want me to prove to you the second crime connected with the election of 1876-7, namely, the attempt made by the agents of Mr. Tilden to bribe electors from the discharge of their duties? The cipher telegrams which were deciphered and published to the world, written and signed by leading

members of the Democratic party, speak for themselves. They show the most reckless and shameful attempts at bribery of the officers of the Government charged with important duties in connection with the returns of electors. Great bribes were offered to electors to violate the honorable duty intrusted to them, and returning officers were tempted with promises of money and office if they would make false returns. It is to the honor of our country that this movement utterly failed. Not a single officer accepted a bribe, and, to use the language of Mr. Tilden, the whole resulted in a "futile dalliance." So much for the great cry of fraud.

But fellow-citizens, this cry is now the sheerest hypocrisy. If the Democratic party believed in it, why was not Mr. Tilden renominated? Then the people could have tried the alleged fraud. But the fraud practiced by the Democratic party in the South is a continuing fraud—two years ago, last year, and this year—continued openly with grim humor, and justified by the dominant opinion South, and by the acquiescence of the Democracy of the North. It is only by this fraud that that party hopes for success. If now there is a change in the Executive branch of the Government, it will be caused by the grave and startling fact that the rebels of the South have, by bloody means, succeeded in overthrowing the constitutional rights of five millions of freedmen, and the Democratic party of the North, eager for power and place, co-operate with the rebels of the South in this crime, by sharing in the power and places secured by it.

STATE RIGHTS VERSUS NATIONAL RIGHTS.

Senator Thurman says they want to bring about a change, so as to restore the old time-honored doctrine of the Democratic party in respect to State rights. This, I believe, is an honest statement of the chief desire of the party. They wish, under the forms of a party contest, to turn back the dial of time for twenty years from the national principles that have guided the Republican party to the sectionalism that prevailed before the war. We accept the issue.

The dividing line between the two parties is a difference of opinion as to the powers and duties of the National Government. We believe that this is a government of the people, with powers limited and defined by a written constitution, but embracing all the great and essential functions of a National Government, with ample authority to make, execute, and construe laws, and to enforce them upon and execute them against every citizen of the United States, without respect to State lines. We believe it to be the duty of the National Government to protect all citizens in equal civil and political rights, and to maintain national existence and authority against all who resist it, whether they muster under a foreign flag or under State or local authority. We believe that the States are also mere agents of the people, intrusted by them with limited powers, set out in written constitutions. Their powers and duties are highly important. They affect the local and domestic relations of life and the protection of property. No Republican would impair, in the least, the dignity, importance, or rights of the States; but, after all, they are subordinate to the United States in all the great powers of the Government defined by the Constitution. The State cannot be made a shield to prevent the National Government from protecting all the citizens of every State in the rights conferred upon them by the Constitution of the United States; and in case of a dispute as to the limit and extent of these rights, the Supreme Court of the United States is the final judge and arbiter.

Here the Democratic party takes issue with us in principle and detail. Under the dogma of State rights, that party gradually subordinated the rights and powers of the National Government to those of the several States until it finally claimed that any State might nullify the laws of the United States and secede from the Union.

You will always find the Democratic party opposed to our view of national authority. It seeks to belittle, to degrade, and cripple the National Government; to subordinate the rights of the citizen and the Nation to the law or public opinion of the State; to treat the National Government as a Confederacy of States, without power to enforce personal rights or national interests within the limits of the State without the consent of the State. You will find this radical difference cropping out in every contest on every question, great or small, that enters into American politics. It was this that led to the civil war. Under the lead of the Republican party the Union was preserved, the Constitution was maintained in its full vigor, and strengthened by amendments so as to declare the equal civil and political rights of all men, without distinction of race, color, or condition, and that Congress should enforce these

rights by appropriate legislation. Upon these terms the rebels were restored to their rights and privileges as American citizens, and now, with their Northern associates, under the name of the Democratic party, they revive the old contest, and deny to American citizens the protection of national rights by national authority.

This doctrine of State rights is the basis of opposition to National banks, to the protection of American industry, to the National election laws, and protection of the ballot-box, and to the navigation laws. Whenever the question arises in national politics, you will always find the Republican party in favor of the enforcement of all the rights, civil and political, conferred by the Constitution of the United States, while the Democratic party oppose the enforcement of these rights and leave the citizen to the tender mercy of local or State law.

It is for the patriotic people of this country to say whether they want a change back from the national tendencies of the Republican party to the principles that brought our Government to the verge of dissolution in the days of Buchanan. The principles of the Southern States, with their bloody violence, are the fruit of Judge Thurman's doctrine, while those of the Northern States are the outgrowth of Republican ideas.

Senator Hampton, in a recent speech at Staunton, Va., stated the issue fairly :

"Consider what Lee and Jackson would do were they alive. These are the same principles for which they fought for four years. Remember the men who poured forth their life blood on Virginia's soil, and do not abandon them now."

The South did fight for the rights of the States as they understood them; and this contest has already cost the Nation half a million of lives and over six thousand millions of dollars. It is for the people of the North, who took the burden of this contest upon themselves, to say whether, within twenty years after our heroes were sacrificed in the war, and while the debt still bears heavily, they are willing, for the sake of gratifying the Democratic party, to vindicate the principles against which we fought. Nor does it help the matter any that this party, with such aims and ends, baits its hook with a soldier who did honorable service in our cause. We are intelligent enough to look beyond this tempting bait to the animating principles which lie behind this demand for a change. They say they want Hancock, a major-general in the regular Army. We had for several years, while General Grant was President, Democratic declamation without limit against military rule. We have been warned by the lessons of history that free institutions are only endangered by ambitious men, who may seek, under military forms, to enslave the people. And yet this party, forgetting their declamation, propose to take a soldier who has had no civil experience, whose mind was developed in a military school, and whose life has been spent under military laws; but they take him to carry out and maintain the principles for which they fought, and not those for which he fought under Republican auspices. Excepting the adoption of the old doctrine of State rights, I know no distinctive principle of the Democratic party, which can be named by an intelligent citizen, no other measure which they seek to accomplish, no other policy which they seek to develop, and yet we are asked to make this great change.

And now, fellow-citizens, suppose a change is made; suppose the restraint of a Republican President is withdrawn, what will the Democratic party do under the doctrine for which Judge Thurman and General Hampton plead? On the day of the inauguration a horde of greedy office-seekers, hungry in search of office, will come down upon the heads of Departments with their claims for reward for party services, and inexperienced men will be thrust in to discharge the most difficult functions of official life. Trained and experienced officers, whose capacity and fidelity are recognized everywhere, will be turned out, and the great operations of the Government be placed at once in inexperienced hands.

A still more dangerous horde of claim-agents, now haunting Washington, already keen for plunder and versed in all the tricks of the trade, will seek to open the doors of the Treasury to the brood of Southern claims, which, despite our overflowing revenues, will bankrupt the Treasury in a year. Thus far, during this administration, the gate has been put down and barred against all these claims. The statute of limitations and the decisions of the Department have cut them off; but, under a Democratic administration of the Treasury Department, how easy it would be to break down this barrier. I know from my personal knowledge a number of claim-agents, influential men, who

will vote for Hancock on the ground that his election will enable them to recover claims now barred. All that is needed to cause the refunding of the cotton tax, amounting to \$68,000,000, is an appropriation. Most of the members of the South, through their constituents, are interested in these claims.

A slight extension of the period of limitation, as to claims for captured and abandoned cotton, will open up tens of millions of this class of claims. An enlargement by half a dozen words of the law for the payment of quartermaster's stores, will bring upon the Treasury demands for more than one hundred million dollars for food consumed by our army in the war of the rebellion, taken from disloyal people, and for damage done to them as a natural result or consequence of the war. Experience has shown that to swell these claims tenfold or even a hundred-fold, testimony can be manufactured with the greatest facility and apparently of the clearest character. Should this be acted upon by an officer friendly to the object, no man can estimate the demands that in this way, under cover of right, may be foisted upon the people of the United States. And why should not this be done? If the principles of the Democratic party are to be again adopted by the votes of the people, and the very men who fought for them are to be placed in power, why should they not be indemnified for their losses? Why should they not be paid for their slaves? Why should not the brave rebels who fought for their principles be placed on the pension roll? Even a change in decisions by the Secretaries of War and Treasury would bring upon the Government tens of millions of dollars of Southern claims.

But again, if the principles of the Democratic party twenty years ago, and the men who fought for them, are restored to power, you will find the same slavish acquiescence of the Democratic fragments of the North to the Democrats of the South as before the war. The election laws, of which I have spoken, will be the first to be repealed, and thus will be legalized all the atrocious crimes and frauds of the South, and even the great fraud of New York will be condoned forever. Amnesty and forgiveness will be proclaimed for the meanest crimes that have ever been committed against free government. What protection will there then be for the freedmen of the South? What guard will there be against ballot-box stuffers and like criminals in the North?

What further is likely to happen? The Democratic party has opposed from the beginning, as unconstitutional, our whole system of National banks, and favored a system of State banks as a matter of constitutional right. By the passage of a law of two lines they can repeal the tax of ten per cent. now levied upon the notes of State banks, and thus, without a formal repeal of the National-bank system, they can revive the whole State-bank system, and flood us with wild-cat and red-dog money. That this will be done I have no earthly doubt whatever. I know that the leading Southern Senators and Members are especially anxious to revive the system of State banks, with a view to have irredeemable paper money again, and some of the Western Congressmen will follow in the same direction. All this will lead directly to the repeal or disuse of the National-bank system, because it is a principle of financial law that the poorer currency will supersede the better, and in a short time every person will be trying to shove off upon his neighbor unsecured notes of State banks which will go down with the first wave of financial panic. All war legislation, or that which has grown out of the preservation of the Union and the maintenance of the Government, will be gradually swept away, the Army and Navy will be opened to rebels, and the men whom we fought against will again wield the military and naval arm of the Government. Rebels, still proud of their achievements in the rebellion, bitter in their hearts, and full of rage against the defenders of the Union, will ride rough-shod in their new authority over men who have sacrificed their all in defense of the country. The public credit cannot long escape from the strange and unnatural restoration, and the business interests of the country, so intimately identified with political events, will feel the staggering blow.

Are the probable results of a Democratic administration too strongly stated? If so, it is only because it may be deterred by public opinion from going to the extreme logic of their position. But I know these men well, and I believe that the result of the full ascendancy of the Democratic party will be to shock the public credit; to open the Treasury wide to rebel claims; to wipe out all that was achieved by the war; to turn our Government back from its National tendencies to what it was in fact before the war—a mere confederacy of States—and to cripple the power of the General Government in the enforcement and execution of its laws.

Why encounter these risks? Is there anything in our present condition that should lead the people of the North, those who fought for the Union, who

love the glories won by our heroes of the war, to make this shameful surrender to our foes? No, my countrymen. The change proposed is repugnant to our manhood, injurious to our interests, and fatal to the national policy that has so greatly advanced our country among the nations of the world.

The Republican party may sometimes have failed to meet your expectations in all things, may sometimes have neglected to do that which ought to have been done, but, on the whole, it has rendered such service to this country that it may fairly claim to be intrusted with the administration of the Government until at least some party appears with better principles and a better record. The Republican party conducted the war with success. It has emancipated a whole race. It has done its utmost to secure civil and religious liberty to all citizens. It has developed the homestead policy. It has unified and nationalized all parts of our common country into one grand whole, without invading in the least the rights and duties of the several States, which during this time have securely managed their local affairs without let or hindrance from the National Government. It proposes further to develop this policy. It proposes to maintain the resumption of specie payments, so that we may continue to have good money of gold and silver and paper, all equal to each other, and all of universal credit wherever water runs and our flag floats. It proposes to complete the plan of refunding the debt by the substitution of bonds bearing from three to four per cent. interest for those still outstanding bearing a higher rate. It proposes, while steadily pursuing the principle of protecting American industry, to reduce as rapidly as possible the burden of taxation, and at no distant time to confine all national taxes to moderate duties on imported goods and a tax on liquors, tobacco, and beer. Regarding education as the strongest foundation for Republican government, it proposes to foster schools and colleges and academies of learning, and to make the way open in the South as well as in the North to every child, black or white, to receive the rudiments of education. It has given you, as an evidence of its purposes, an honest, faithful, and successful administration of the National Government under the Presidency of Rutherford B. Hayes, one that will be pointed to as an honored example long after we are gathered to our fathers. He has not had the support of Congress during his term, and has been crippled greatly in the development of his policy; but he has prevented great evils from being accomplished by the Democratic party. More than all, he has wisely executed Republican laws upon the statute-book, and has by his veto prevented the repeal of other laws equally important. He has done this country no evil, but has done it great good.

We want a change. We want to change this Democratic Congress into a Republican Congress, in harmony with the spirit of the age and with the general policy of the Republican party; a Congress that will, while closely scrutinizing the public expenses, be just and liberal for all necessary purposes, and economical, careful, and prudent in the appropriation of public money. We want to uphold the national authority, so that the time will soon come when neither a mob nor a State, nor local public opinion, will be strong enough to deprive any American citizen of his civil and political rights. We want to continue activity and industry and good times. We want to foster our industry, extend our trade, and fill our vast area with thriving, industrious people, native and naturalized. While maintaining American principles, we offer the industrial classes of all nations who are willing to share in our lot and conform to our policy, the liberal and equal benefit of our laws. We wish to see the rights of labor protected without disturbing the rights of property. We wish, above all, to maintain the national credit and the national name, so that, both in our foreign and domestic policy it may be understood that this Republic will be just to the weak as well as to the strong, will ask nothing but what is right, and submit to nothing that is wrong in our dealings with foreign nations.

To secure these great objects, we have placed in nomination General Garfield, a citizen of Ohio, who was trained in the school of adversity, which has produced nearly all the great men in American politics. He is self-educated. He has been tried in both civil and military life, and in every position occupied by him has rendered satisfaction to his constituents. He entered the volunteer army at the beginning of the war as a soldier, performed brilliant services, rose rapidly, until he was called by the people of his district to represent them in Congress. He is thoroughly informed and trained in all the questions of the day, and in all of them is in full harmony with the Republican party. He is admirably prepared to discharge the civil duties of the high office for which has been nominated, and, compared to General Hancock, by any test that may be applied to him, is his superior in ability, capacity, and

fitness for President of the United States. General Hancock relies solely upon his service in the Army, and upon the issuing of an order, which, in my judgment, under the circumstances, was a concession to rebels that ought not to have been made, while General Garfield can point to a varied civil and military life, combining the heroism of the soldier and trained experience in the highest civil duties. Let no personal disappointment enter into or color our zeal in the good cause, but with the courage and hope that animated the Union Army during the war, let us press forward our Republican principles until all that we have guaranteed by the Constitution or the laws shall be fully secured to the humblest as well as the loftiest citizen of this Republic.

In reply to a question by one of the audience as to the cause of the removal of General Arthur as Collector of Customs at New York Mr. Sherman said: "I have never said one word impugning General Arthur's honor or integrity as a man and a gentleman; but he was not in harmony with the views of the Administration in the management of the custom house. While I would not, perhaps, have recommended his nomination, yet I would vote for him for Vice-President a million times before I would vote for William H. English, with whom I served in Congress."

